

79-80

1979 - 1980

PROGRESS REPORT AERONAUTICS

1979-80 PROGRESS REPORT

STATE OF ARIZONA

ARIZONA DEPARTMENT OF TRANSPORTATION

AERONAUTICS DIVISION

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HISTORY

The history of the Arizona Department of Transportation, Aeronautics Division, begins with the creation of the Arizona Aviation Authority in March of 1950. The Authority originally consisted of an unpaid board of five members serving three-year terms. The primary purpose of the board was to advise the Governor and the legislature on aviation matters.

In May of 1955, a part-time director was appointed. Later that same year, the position became full-time. The Authority started monthly publication of a newsletter in 1956 and an airmarker program to aid in cross-country navigation in 1958. By 1959 the Authority had begun assisting communities in developing airfields. In 1962, the legislature created the Arizona Department of Aeronautics and appropriated funds to assist in construction of a Grand Canyon National Park Airport. Construction design began in 1963, and the airport officially opened two years later.

The old Department of Aeronautics was controlled by a seven-member Aeronautics Board. The Board members were appointed to five-year terms by the Governor and the Senate. The primary function of the Board was to budget funds for airport development.

In 1974, the Departments of Aeronautics, Highways and Motor Vehicles were combined to form the present-day Arizona Department of Transportation.

AUTHORITY AND RESPONSIBILITY

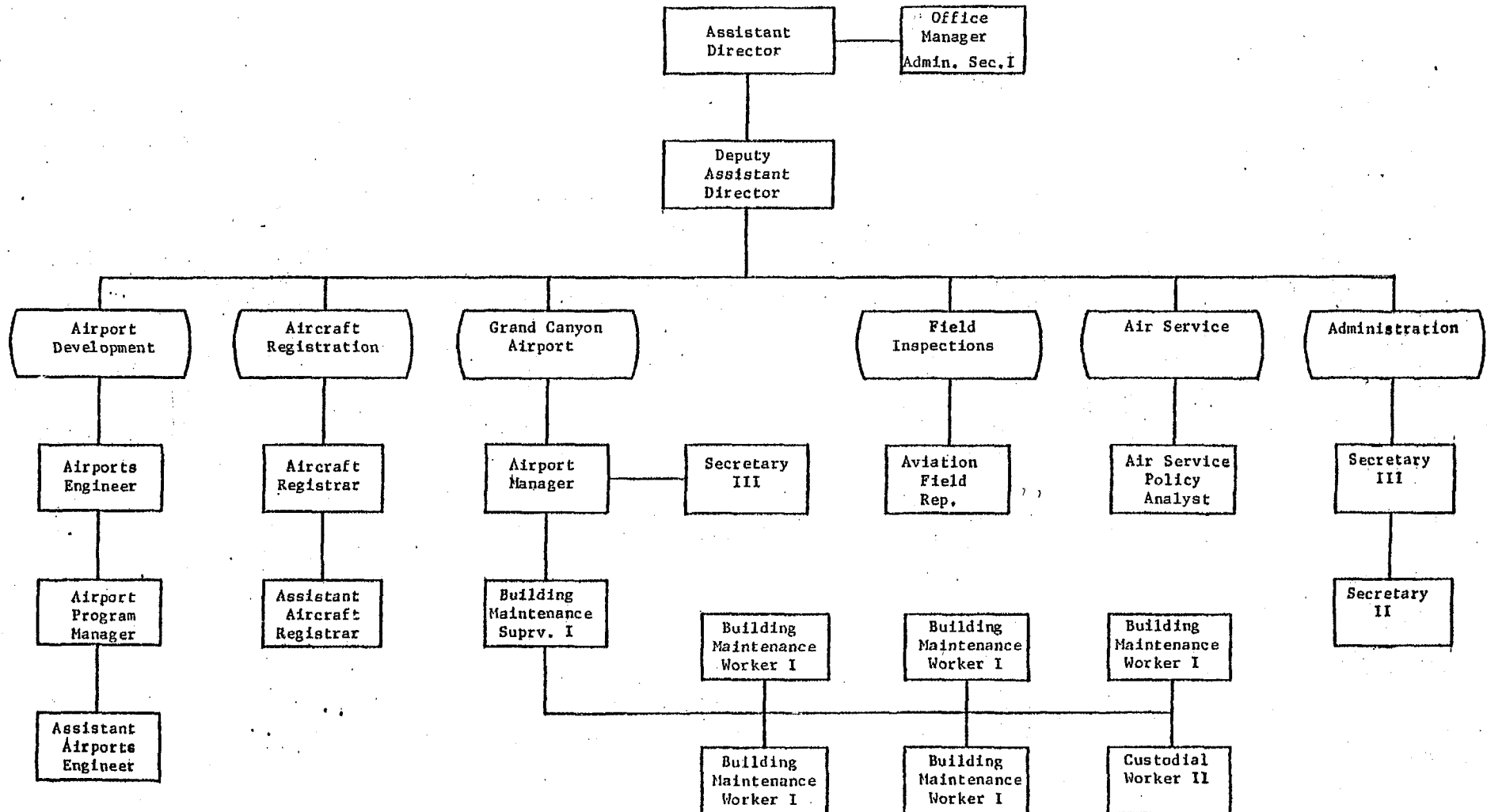
The Department is composed of five divisions; Aeronautics, Highways, Transportation Planning, Motor Vehicles and Administrative Services. Each division is headed by an Assistant Director appointed by the Director. The Aeronautics Division is charged by state law to: encourage and advance the safe and orderly development of aviation in the state; assemble and distribute to the public information relating to aviation; represent the state on issues of routing and rate schedules concerning commercial airline traffic; accept federal and other monies for airport development or air navigation facilities; operate the Grand Canyon National Park Airport, certificate commercial flight operators, aircraft dealers and flying clubs; register non-airline aircraft within the state, and make recommendations on legislative and policy issues. For statutory references, see Arizona Revised Statutes, Title 28, Chapter 12.

The Division has recently been successful in obtaining legislation to allow for the leasing of the Grand Canyon Airport to a management company which specializes in such operations. We have also obtained new legislation to allow the division to deregulate the commercial flight operators and flying clubs. In the past three years, the division has recommended changes in the aircraft registration statutes to clarify the language and strengthen the enforcement. Additionally, a law was passed in 1979 to administratively earmark aviation gas at the point of entry into the state in order to collect previously unidentified aviation gas taxes. This statutory change increased aviation gas tax revenue by approximately \$250,000.00 per year.

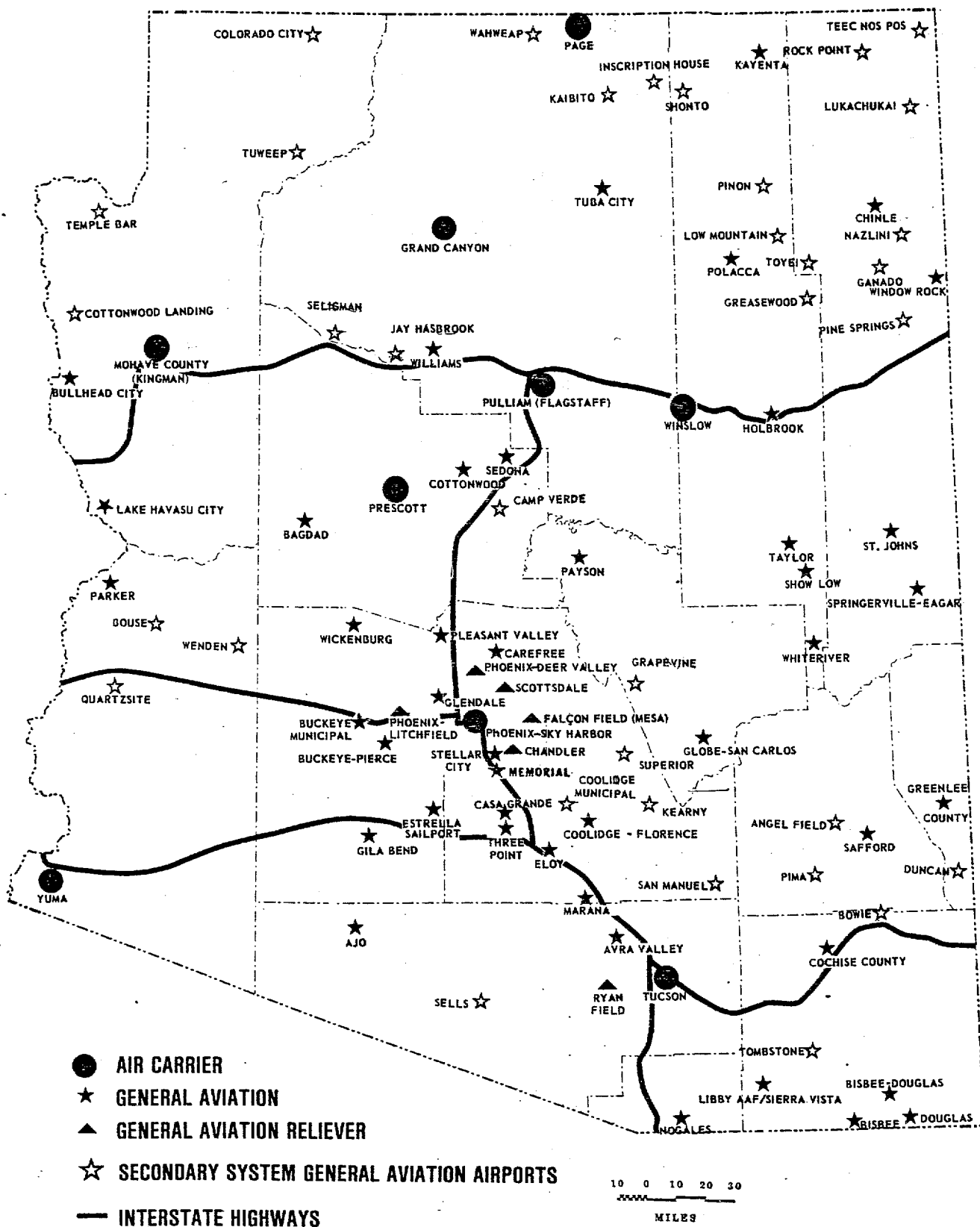
ARIZONA DEPARTMENT OF TRANSPORTATION

AERONAUTICS DIVISION

ORGANIZATIONAL CHART



ARIZONA'S AIRPORT SYSTEM



AIRPORT DEVELOPMENT

The Airport Development section is responsible for the administration of the statewide 5-Year Airport Development Program. The administration of this program involves:

- 1) Systematic planning coordination to insure logical and equitable growth for all public-owned and public-use airport facilities within the state.
- 2) Funding aid and assistance to airport sponsors.
- 3) Technical support for airports and airport projects.
- 4) Grand Canyon Airport construction projects.

Planning

The planning process for the 5-Year Airport Development Program focuses on an extensive evaluation of needs, directed toward developing an improvements program consistent with the goals established in the recently published State Airport System Plan. Needs are then related to anticipated funds to arrive at a financially balanced program that makes the best use of available aviation dollars.

Funding

Airport construction and development in Arizona is accomplished through a cooperative effort involving three levels of government - federal, state and local. Each of these governmental units has shared in the financing of airport development projects in the state.

The federal assistance for airport program expired in 1980 and has not yet been renewed. However, during the ten years the program was in effect, the State airports received \$84,054,000. During the last three years, more than fifty percent of the ten-year total was obtained. This is a measure of the growth of aviation in Arizona and the success of the division in obtaining discretionary funding from the FAA. This is illustrated in Figure #1.

If present revenue sources remain the same, only a small growth in state aviation revenues can be anticipated over the next five years. Unless new sources are found, the projected economic outlook for the state's airports is dire. A recently completed study indicates a short fall in revenues of approximately \$130,000,000 over the next ten years.

At the local level, funds for airport development may come from several sources. General fund contributions, revenue on general obligation bonds, user taxes and revenues from airport leases and concessions are among the primary sources of funding. However, in terms of airport needs, the local communities will be unable to keep pace without increased Federal or State assistance. Under the current program, the local sponsor provides a matching share of just under five percent on federal participating projects and ten percent on state/local projects.

The number of projects being administered has increased dramatically. From FY 1973 to FY 1977, the average number of projects completed each year was ten. In the last three years, this average has increased to 37 per year, an increase of 270%. For FY 1981, forecasts indicate an increase of 60% or over 40 projects will be completed.

Additionally, state expenditure amounts have increased as Figure #3 indicates. From FY 1973 to FY 1977, an overall increase averages 4.8%. In the last three years, this average increased 1246% and the FY 1981 forecast shows another fifty percent increase from 1.6 million in FY 1980 to an estimated 2.4 million in FY 1981.

Project Narrative

All airport construction projects funded through the 5-Year Airport Development Program are subjected to constant technical review and monitoring from design through construction. During the design phase, the Airport Development Group assists sponsors in locating and interpreting design criteria. Also, engineering agreements, plans, specifications, and contract documents are reviewed for compliance with state grant requirements.

As the project progresses to the construction phase, the Airport Development section reviews bid tabulations, performs field inspections of work during construction, reviews field and laboratory procedures and test results, and analyzes and approves change orders. At the conclusion of the project, a final inspection is performed. As-built plans and certified final quantities are required before final payment is made. Projects are audited as needed to ensure compliance with grant and contractual requirements.

The Airport Development Group also provides technical support for special aeronautical studies and the development of conceptual airport plans. Local sponsors may, at any time, receive technical comment in the development of their airports.

Technical Assistance

Extensive technical assistance is provided to local airport sponsors with the objective of improving construction quality, decreasing construction costs, and simplifying administrative procedures through all stages of the project.

Construction quality is upgraded by the review of plans and specifications by the group's engineering section, improved requirements for field and laboratory testing of materials, and by the initiation of a record sampling program through the cooperation of the Highways Division.

Construction costs are being decreased by encouraging the use of locally available mineral materials, rather than using nationally developed FAA specifications which may require special crushing or extensive transportation. Construction of experimental pavements using less expensive binders such as sulfur is also being encouraged. The sponsor's administrative burden has been reduced by providing assistance through the airports programs section in fulfilling both State and Federal requirements. Where possible, forms already required by the Federal Government are used for state needs, reducing duplication of effort. Where state forms must be used, they have been developed with the objective of also being able to use them as worksheets. A minimum of new regulations have been promulgated, however, existing statutes and regulations have been vigorously enforced.

Grand Canyon Airport Construction

The Airport Development Group is also in charge of engineering and administering construction projects at the state-owned Grand Canyon Airport. All funding, payment and project authorizations are processed by the Section.

All engineering phases of construction work undertaken at the Grand Canyon Airport are either performed directly by this office, as in design and contract administration, or coordinated with personnel directly on site, as in progress inspections, utilizing assistance from the Highways Division.

ADOT AERONAUTICS DIVISION
AIRPORT DEVELOPMENT AID PROGRAM

(FEDERAL AID)

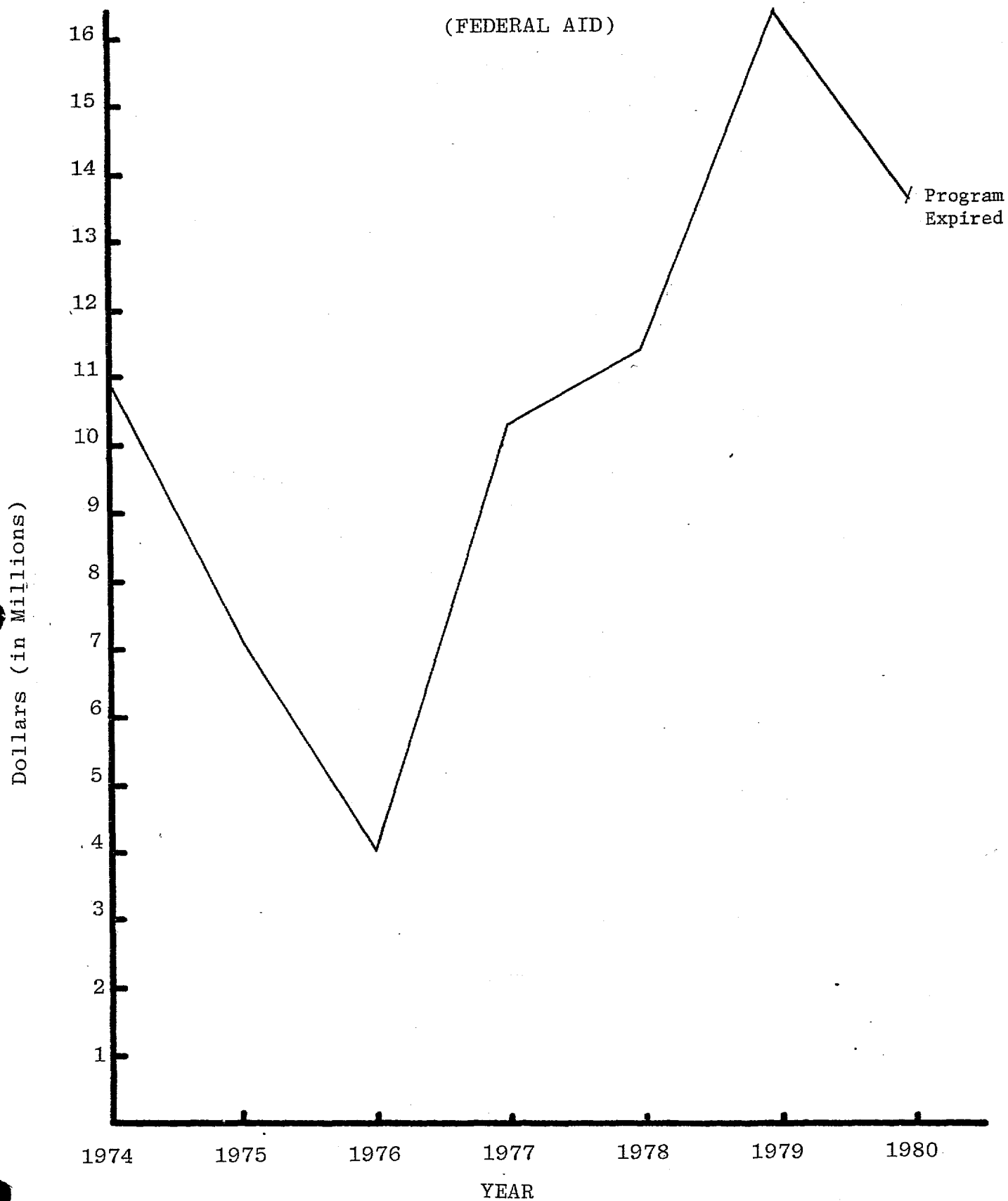


FIGURE #1

ADOT AERONAUTICS DIVISION
AIRPORT PROJECT ACTIVITY

Number of Projects Completed

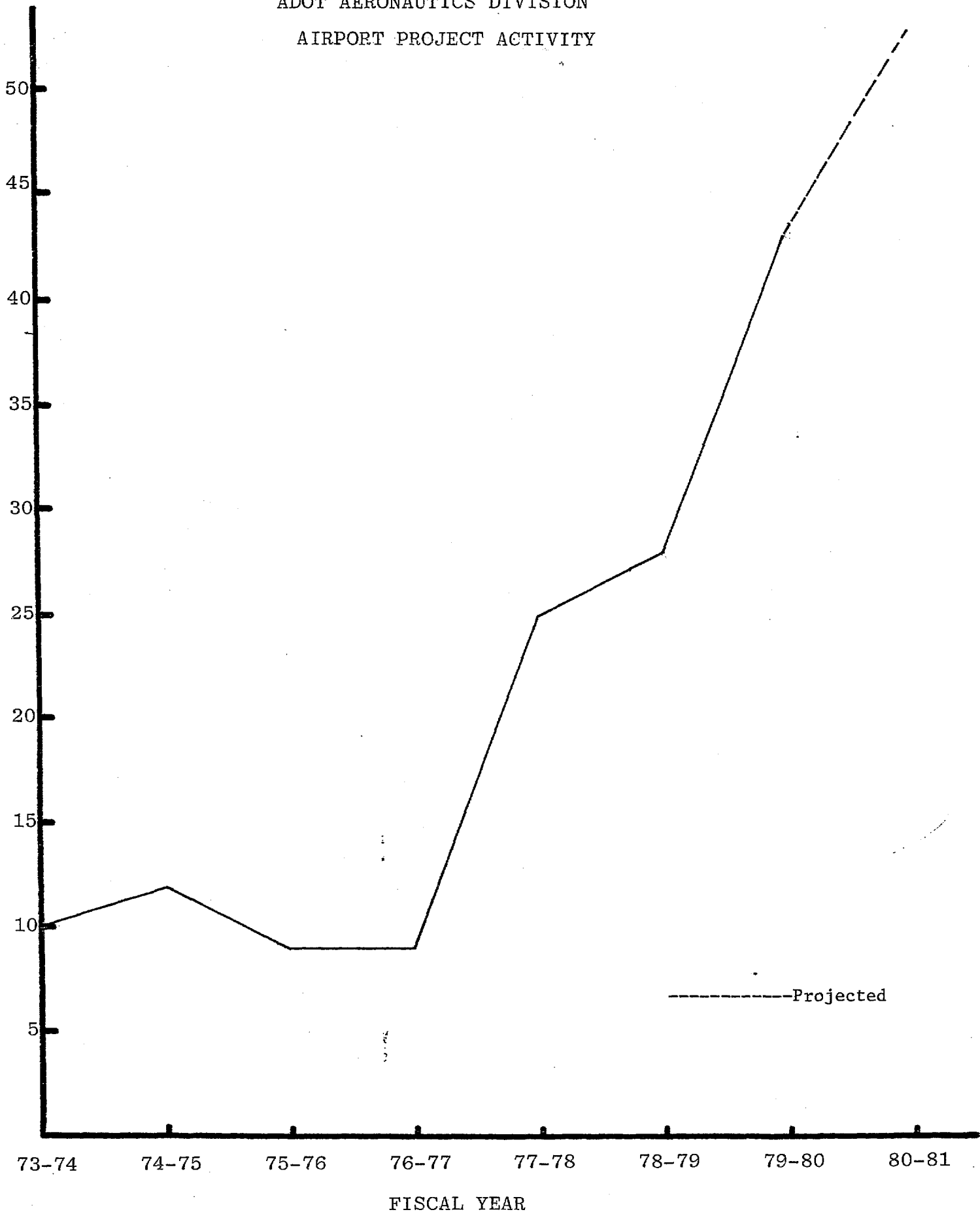
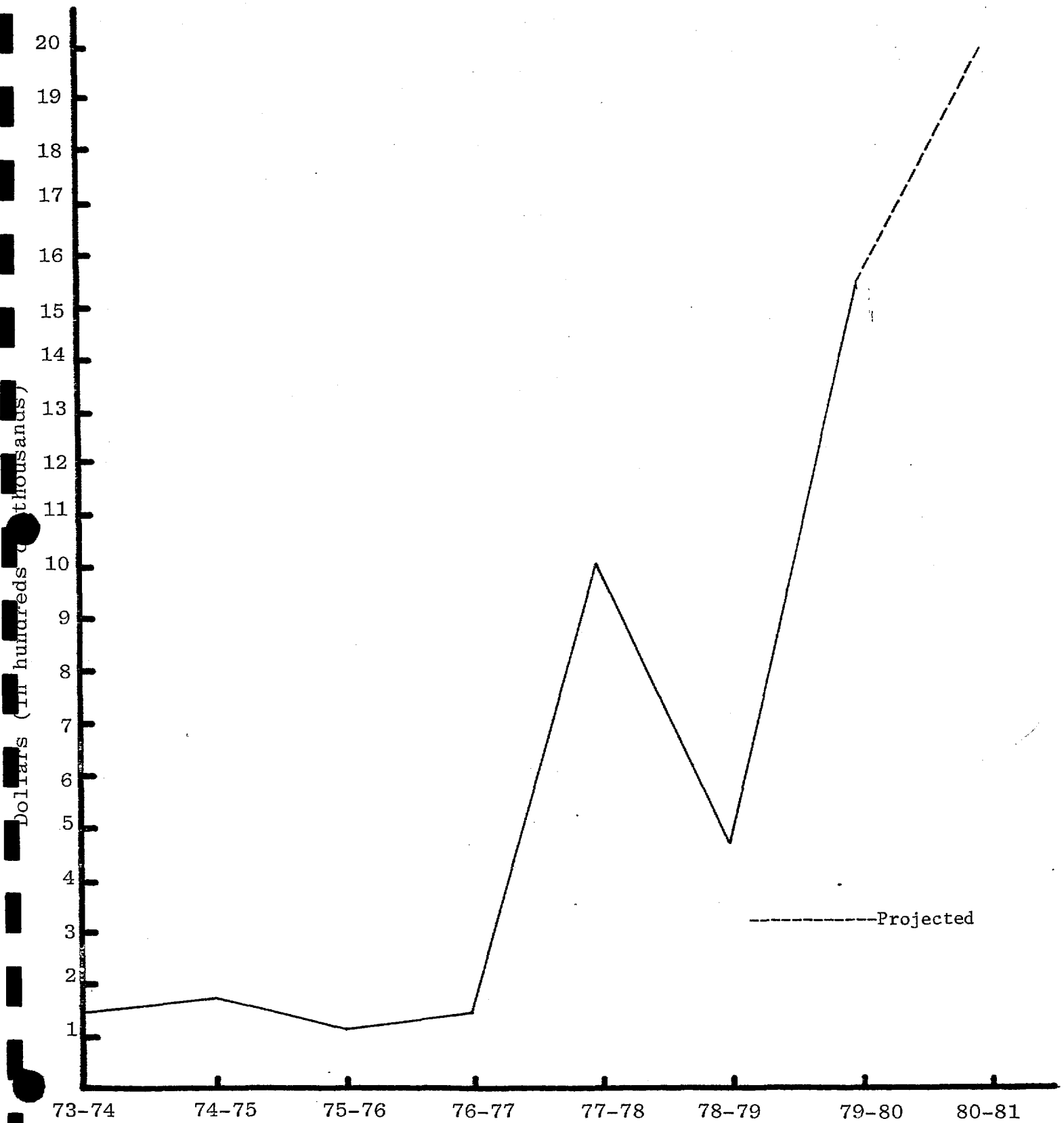


FIGURE #2

ADOT AERONAUTICS DIVISION
STATEWIDE AIRPORT PROJECTS
STATE FUNDS



FISCAL YEAR

FIGURE #3

AIRPORT PROJECT STATUS FOR FY 1980 (ENDED JUNE 30, 1980)

| Airport | Scope | Actual Expend. (State) | Total Project Amount (State) | Proj. Status | Local | Federal | Total Proj. Cost |
|---------------------|------------------------------------|---------------------------|---------------------------------|--------------|--------------|-----------------|------------------|
| Ajo | Overlay R/W, MRL | \$ 22,890.31 | \$ 22,890.31 | | \$ 33,624.00 | \$ 161,658.00 | \$ 218,173.29 |
| Avra Valley | Overlay R/W | 218,128.00 | 266,700.00 | Under Const | 26,670.00 | -- | 293,370.00 |
| Bisbee-Douglas | Resurface R/W | 36,470.50 | 36,470.50 | | 36,470.50 | 728,207.00 | 801,148.00 |
| Casa Grande | T/W Apron | 263,669.43 | 303,302.20 | Under Const | 33,700.24 | -- | 337,002.44 |
| Casa Grande | Master Plan | 887.30 | 13,952.30 | | 13,952.30 | -- | 27,904.60 |
| Chandler | Security Lights | 12,220.48 | 12,220.48 | | 1,357.83 | -- | 13,578.31 |
| Chandler | Fire Protection System | 98,026.11 | 212,400.00 | Under Const | 23,600.00 | -- | 236,000.00 |
| Coolidge-Florence | MIRL, MITL, Beacon, Windcone | 5,528.52 | 116,100.00 | Under Const | 11,610.00 | -- | 127,710.00 |
| Cottonwood | Runway Extension | 12,332.00 | 16,540.00 | Under Const | 16,540.00 | 336,920.00 | 370,000.00 |
| Eloy | Planning Grant | 12,750.00 | 15,000.00 | | 1,500.00 | -- | 16,500.00 |
| Gila Bend | Repair corrugated metal pipe | 2,084.80 | 2,084.80 | | 231.64 | -- | 2,316.44 |
| Gila Bend | Overlay R/W, Apron Ext. | 18,183.99 | 18,183.99 | | 4,265.39 | 228,662.23 | 251,111.61 |
| Glendale | Env. Assessment Study | 11,701.00 | 11,701.00 | | 1,300.00 | -- | 13,001.00 |
| Globe-San Carlos | T/W Lights, VASI, Beacon, NDB | 5,375.90 | 5,375.90 | | 5,375.90 | -- | 10,751.80 |
| Globe-San Carlos | Master Plan | 536.00 | 536.00 | | 537.00 | 10,927.00 | 12,000.00 |
| Globe-San Carlos | Perimeter Fence | 6,300.00 | 6,300.00 | | 1,187.40 | -- | 7,487.40 |
| Grand Canyon | Parking Apron | 1,564.24 | 364,000.00 | Under Const | -- | 549,000.00 | 913,000.00 |
| Grand Canyon | Terminal Expansion | 380.09 | 555,000.00 | Under Const | -- | 676,478.00 | 1,231,478.00 |
| Grand Canyon | Sewer/Gas, Porous Friction, Safety | 3,540.18 | 331,000.00 | | -- | 2,200,219.00 | 2,531,219.00 |
| Greenlee County | Seal Coat Runway | 44,112.92 | 64,800.00 | Under Const | 7,200.00 | -- | 72,000.00 |
| Holbrook | Const. Parking Apron & R/W | 8,673.74 | 21,782.00 | Under Const | 21,782.00 | 443,733.00 | 487,297.00 |
| Holbrook | Parking Apron Surface | 6,287.82 | 6,287.82 | Under Const | 6,287.82 | 128,091.46 | 140,667.10 |
| Nogales | Apron | 20,306.07 | 74,944.00 | Under Const | 18,512.00 | 218,544.00 | 312,000.00 |
| Nogales | Planning Grant | 521.20 | 1,604.00 | | 1,604.00 | 32,679.00 | 35,887.00 |
| Page | Taxiway | 20,463.79 | 37,515.00 | Under Const | 37,515.00 | 824,917.00 | 899,947.00 |
| Payson | Planning Grant | 11,625.00 | 15,000.00 | Under Const | 1,500.00 | -- | 16,500.00 |
| Phoenix-Deer Valley | Parking Apron | 37,500.00 | 37,500.00 | | 67,500.00 | -- | 105,000.00 |
| Prescott | Parking Apron | 125,814.00 | 125,814.00 | | 38,252.10 | -- | 164,066.10 |
| Pulliam-Flagstaff | Runway Reconstruction | 203,918.00 | 300,000.00 | Under Const | 300,000.00 | 4,580,000.00 | 5,180,000.00 |
| Ryan Field | Utilities | 6,292.42 | 67,000.00 | Under Const | 12,973.00 | -- | 79,973.00 |
| Safford | Master Plan | 1,149.00 | 1,149.00 | | 1,148.00 | 23,397.00 | 25,694.00 |
| Scottsdale | Parking Apron, Service Rds. | 68,000.00 | 68,000.00 | | 81,404.00 | 532,421.00 | 681,825.00 |
| Show Low | Master Plan | 947.67 | 23,472.23 | | 2,608.02 | -- | 26,080.25 |
| Show Low | T/W Lights, MIRL, Apron, Lights | 20,095.00 | 72,000.00 | | 9,989.00 | -- | 81,989.00 |
| Show Low | Overlay R/W, T/W, P/A | 11,727.34 | 11,727.34 | | 11,727.34 | 238,901.87 | 262,356.55 |
| Springerville-Eager | Overlay Parking Ramp | 5,589.16 | 5,589.16 | | 5,589.16 | 113,858.00 | 125,037.18 |
| Taylor | Parking Apron | 1,896.44 | 45,000.00 | Under Const | 5,000.00 | --- | 50,000.00 |
| Wickenburg | Expand P/A, Install Tiedowns | 4,961.70 | 69,570.00 | Under Const | 7,730.00 | --- | 77,300.00 |
| Williams | Parking Apron | 134.60 | 12,107.00 | Under Const | 12,107.00 | 150,000.00 | 174,214.00 |
| Winslow | Resurface Runway | 267,430.09 | 267,430.09 | | 29,225.57 | --- | 301,055.66 |
| Winslow | Planning Grant | 15,000.00 | 15,000.00 | | 1,667.00 | --- | 16,667.00 |
| TOTAL | | \$1,615,014.81 | \$3,653,049.12 | | \$893,243.21 | \$12,178,613.56 | \$16,729,307.73 |

AIRCRAFT REGISTRATION

The aircraft registration section is responsible for collection of an aircraft registration fee and a lieu tax of one percent of the average fair market value. These fees and taxes must be paid annually by the last day of February or within 60 days after entry into the state. Dealer aircraft are exempt from the lieu tax if the aircraft is flown for demonstration flights only. An aircraft which is not airworthy is also exempt if a proper exemption affidavit is filed. The revenues collected are deposited in the state aviation fund and can only be used for construction, development and improvement of airports throughout the state.

Aircraft registration has grown at a very rapid rate since 1976. The number of registered aircraft has increased by 47%, while collections during this same period have increased 214%. This is primarily due to the fact aircraft values have appreciated tremendously in recent years. Revenue projections for 1981 indicate over \$2,000,000 will be collected.

Often the only manner in which a tax can be collected is to issue a lien and seizure in accordance with A.R.S. 28-1762. During 1980, 313 liens were issued and 122 aircraft seized for non-payment of taxes.

This section works closely with all the law enforcement agencies. Registration records are helpful in determining true ownership and historical ownership of an aircraft, as well as its base of operations. The section has developed a reputation for having the most current ownership information available.

The aircraft registration staff has been successful in getting banks and lending agencies to rewrite their manuals on aircraft loans to check with the Division to ensure an aircraft is properly registered with the state. This has been very beneficial to the lending agencies, the prospective buyer and the Division.

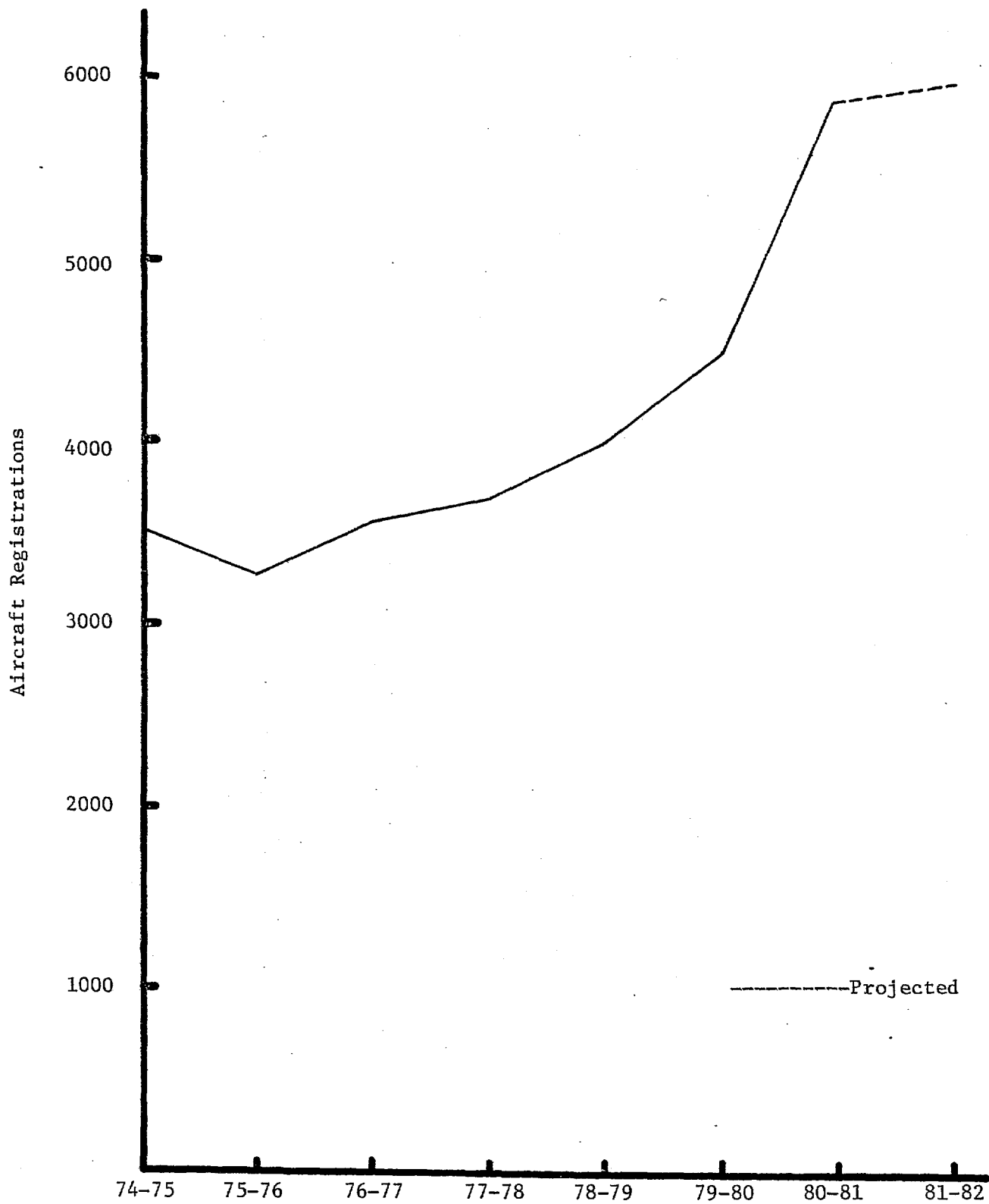
During the past year, the registration records have been placed on line with the Department's computer center. This allows for better service concerning ownership and registration inquiries by owners, banks and law enforcement agencies.

Fiscal Year 1979-80

Number of Aircraft Registered - 5,994

| | |
|---------------|-------|
| Ballons | 49 |
| Gliders | 150 |
| Antiques | 234 |
| Experimentals | 136 |
| Helicopters | 147 |
| Landplanes | 5,060 |
| Ag. Planes | 150 |
| Army Surplus | 68 |

ADOT AERONAUTICS DIVISION
NUMBER OF AIRCRAFT REGISTRATIONS



Fiscal Year

FIGURE #4

HISTORICAL
AIRCRAFT REGISTRATION DATA

| <u>Fiscal Years</u> | <u>Aircraft Registered*</u> | <u>Aircraft Lieu Tax</u> | <u>Aircraft Registration Fees</u> | <u>Total Revenue from Lieu Tax & Registration Fees</u> |
|-------------------------|---------------------------------|------------------------------|---------------------------------------|--|
| 66-67 | 1,386 | \$ | \$ 5,132 | \$ 5,132 |
| 67-68 | 1,541 | | 5,037 | 5,037 |
| 68-69 | 1,795 | 103,528 | 8,818 | 112,346 |
| 69-70 | 2,135 | 150,058 | 10,872 | 160,930 |
| 70-71 | 2,499 | 160,731 | 12,248 | 172,979 |
| 71-72 | 2,945 | 210,202 | 15,238 | 225,440 |
| 72-73 | 3,283 | 239,821 | 16,308 | 256,129 |
| 73-74 | 3,463 | 424,776 | 18,641 | 443,417 |
| 74-75 | 3,487 | 468,546 | 19,590 | 488,136 |
| 75-76 | 3,273 | 511,330 | 19,585 | 530,915 |
| 76-77 | 3,572 | 708,310 | 22,216 | 730,526 |
| 77-78 | 4,501 | 939,772 | 23,820 | 975,688 |
| 78-79 | 4,643 | 1,266,325 | 24,972 | 1,298,297 |
| 79-80 | 4,803 | 1,608,107 | 26,156 | 1,686,943 |

* Excluding Dealers and stored aircraft - calendar data.

Sources: Aeronautics Division, Arizona Department of Transportation

ADOT - AERONAUTICS DIVISION
AIRCRAFT REGISTRATION AND LIEU TAX COLLECTED

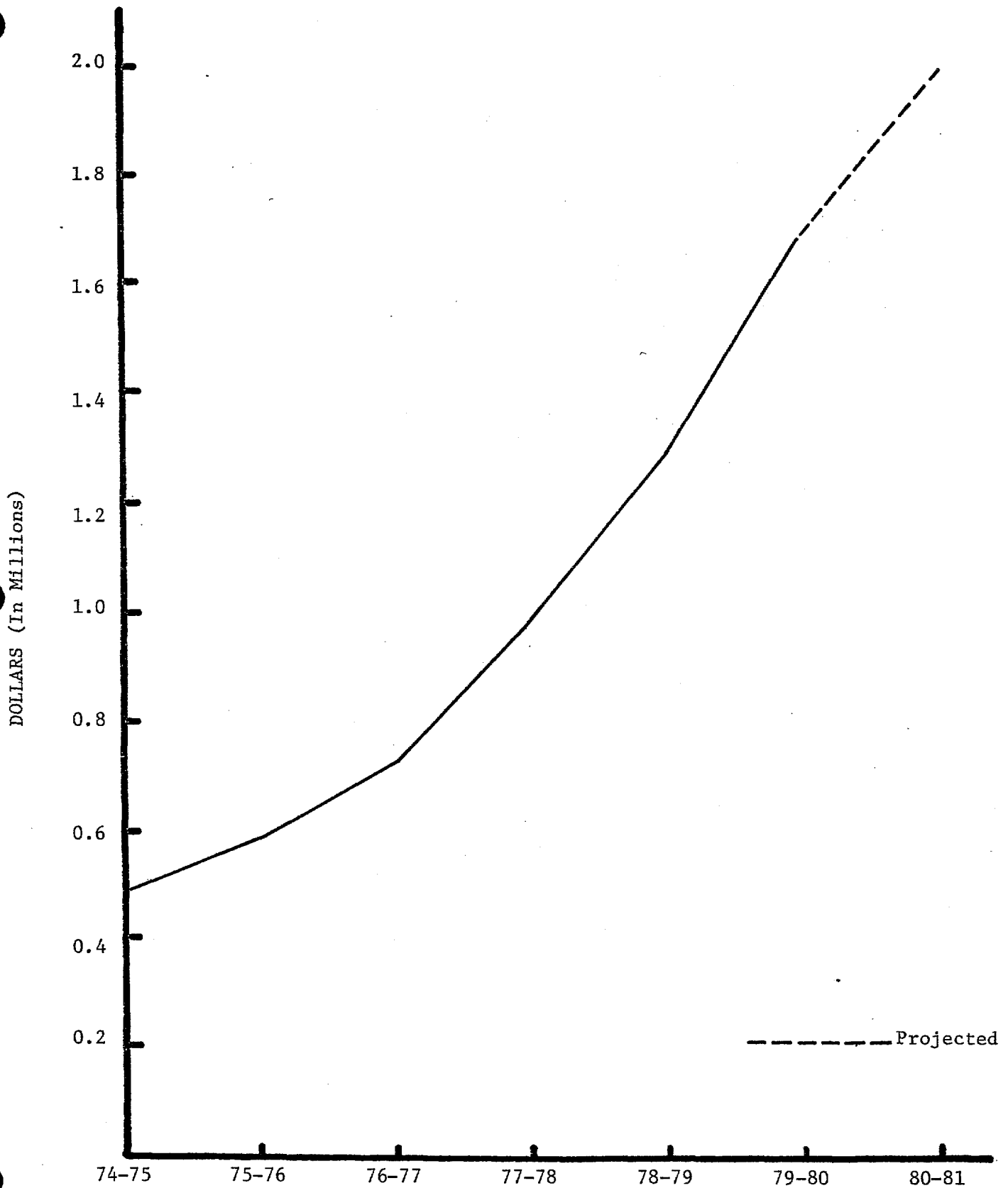


FIGURE #5

ADMINISTRATION

This section is responsible for the day-to-day operations of the Division. The activities of the Assistant Director and Deputy Assistant Director are included under this section. The Administrative Section is continually involved with a wide spectrum of aviation issues which range from answering inquiries from the public to involvement in national issues of major significance to the aviation community. Activities during the past year have resulted in greater public awareness of aviation, greater airport sponsor involvement with their airport and aviation issues, and more assistance being given to aviation groups. As an example, the Division has been instrumental in assisting airports managers in putting together a statewide association.

On a national level, the Assistant Director has served and is serving on the National Association of State Aviation Officials Board of Directors. This activity has led to involvement in formulation of Airport Development Aid Program funding legislation; as a member of the National Association of State Aviation Officials Air Service Committee, a critical analysis of the Civil Aeronautics Board (CAB) has been developed for re-directing efforts in air service cases.

The Administrative section supplies all support staff for the operational sections, including budget preparation, accounting and fiscal controls, management policy and direction. Also provided are all secretarial and clerical assistance, records management and personnel services within the Division.

This section closely monitors the State Aviation Fund revenues and expenditures. The Aviation Fund receives revenue from a variety of sources. Aviation gas is taxed at 8¢ per gallon of which 7¢ is refundable. Non-airline aircraft are required to register with the Division and pay a license tax of 1% of the fair market value of the aircraft. All revenues from the operation of the Grand Canyon Airport are deposited in the aviation fund. Any federal grants given to the Division are also listed as revenue, although technically, can be considered reimbursement for expenses incurred. Excess funds on deposit are invested by the State Treasurer.

The State Aviation Fund expenditures are approved through an annual budget cycle by the State Legislature. The legislature approves an administrative budget, a Grand Canyon operating budget and the remaining available funds in a lump sum amount to be used for airport construction and development.

The Transportation Board, through public hearings and a priority rating system, approve individual airport construction projects as published in the five-year Construction Program.

This section also has worked closely with the Transportation Planning Division in developing special planning studies, monitoring and analyzing proposed state and federal legislation, reviewing aviation activity forecasts, analyzing CAB proposals, reviewing local development (Land Use) proposals and assisting with the five-year airport improvement program. Publications jointly produced are as follows:

State Airport System Plan - SASP - A statewide analysis of airports was completed in 1978. The study investigated the requirements to ensure an adequate system to serve the future needs of aviation in Arizona. Since that time, the plan has been continually updated to make it a working document rather than a planning document. Examples of the information updated and contained in the SASP include: activity forecasts of airports throughout the system, aerial photos of the airport and population forecasts of the adjacent communities.

Noise Brochure - Research was conducted into the timely subject of airport noise, its measurement and its effect on adjacent land use. Subsequent to the technical study, a small brochure was written which succeeded in converting some of the technical aspects of noise measurement into layman's language. This brochure was distributed to local airport planners and sponsors as a guide toward both noise measurement and measures for dealing with the negative effects of airport noise.

Airport Needs Study - A comprehensive study of the current status needs in terms of maintenance and improvement at all airports in the state was completed. The study showed a requirement for \$251 million at airports during the next ten years and a shortfall over current revenues of approximately \$130 million.

Special Studies - A study involving several public transit options for the Prescott and Kingman airports, an analysis of the way state and federal airports are funded, and basic research on the economic impact of aviation on the Arizona economy have been completed. Copies of any publication may be obtained by writing to the Division.

AERONAUTICS DIVISION

ADMINISTRATION

REVENUE AND EXPENDITURES

1975 -- 1980

| | 1975 -- 1976 | 1976 -- 1977 | 1977 -- 1978 | 1978 -- 1979 | 1979 -- 1980 |
|-----------------------------------|-------------------|-------------------|-------------------|--------------------|-------------------|
| Revenue: | | | | | |
| Aviation Fuel Tax | \$ 243,000 | \$ 259,000 | \$ 280,000 | \$ 334,000 | \$ 316,000 |
| Aircraft Lieu Tax | 511,000 | 708,000 | 935,000 | 1,268,000 | 1,614,000 |
| Aircraft Reg. Fee | 35,000 | 38,000 | 34,000 | 35,000 | 46,000 |
| Miscellaneous | 14,000 | 5,000 | 93,000 | 11,000 | 12,000 |
| Investment | <u>19,000</u> | <u>36,000</u> | <u>100,000</u> | <u>206,000</u> | <u>363,000</u> |
| TOTAL | \$ 822,000 | \$1,046,000 | \$1,442,000 | \$1,854,000 | \$2,351,000 |
| Percent of Increase | 13.4% | 27.3% | 37.8% | 28.6% | 26.8% |
| Expenditures: | | | | | |
| FTE | \$ 8 | \$ 9 | \$ 10 | \$ 10 | \$ 11 |
| Personal Services | 102,900 | 106,800 | 140,000 | 148,800 | 153,500 |
| ERE | 16,600 | 18,700 | 26,200 | 28,100 | 29,100 |
| Prof. & Outside | 0 | 3,500 | 14,800 | 32,400 | 29,100 |
| Travel - In-State | 8,700 | 8,000 | 8,300 | 9,100 | 10,800 |
| Travel - Out-State | 1,100 | 1,200 | 2,500 | 6,200 | 7,780 |
| OOE | 22,500 | 29,700 | 34,600 | 54,650 | 43,470 |
| Capital | 0 | 1,100 | 0 | 700 | 150 |
| TPD Reimb. | <u>0</u> | <u>0</u> | <u>35,000</u> | <u>20,000</u> | <u>20,000</u> |
| TOTAL | \$ 148,000 | \$ 169,000 | \$ 262,000 | \$ 299,950 | \$ 293,900 |
| Percent of Increase (Decrease) | (1.3%) | 14.2% | 55.5% | 14.4% | (1.5%) |
| Airport Development | \$ 326,000 | \$ 205,000 | \$ 514,000 | \$ 443,000 | \$1,617,000 |
| Miscellaneous | <u>0</u> | <u>9,000</u> | <u>4,000</u> | <u>2,000</u> | <u>0</u> |
| Total Expenditures | \$ 474,000 | \$ 383,000 | \$ 780,000 | \$ 743,450 | \$1,910,900 |
| Net Income (Loss) | <u>\$ 348,000</u> | <u>\$ 663,000</u> | <u>\$ 662,000</u> | <u>\$1,110,550</u> | <u>\$ 440,100</u> |

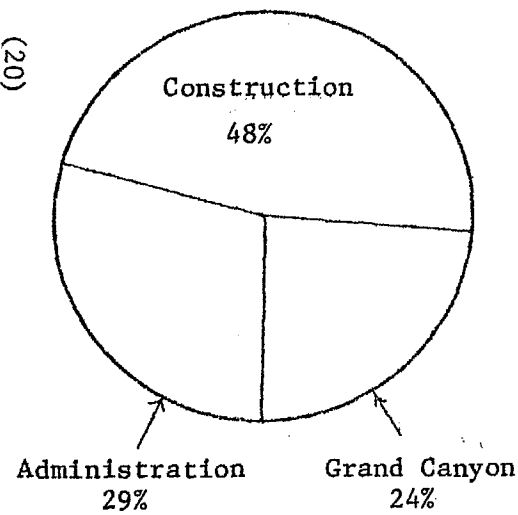
ARIZONA DEPARTMENT OF TRANSPORTATION
COMBINED STATEMENT OF CASH POSITION - AVIATION FUNDJULY 1, 1979 to JUNE 30, 1980

| | Receipts to Aviation Fund | Disbursements from Aviation Fund |
|-------------------------------|------------------------------|-------------------------------------|
| Aviation Fuel Tax | 185,770.17 | |
| Aircraft Lieu Tax | 1,614,241.88 | |
| Registration Fees & Penalties | 46,102.96 | |
| Unclaimed Aviation Gas Tax | 91,371.76 | |
| 1¢ Per Gallon Gas Tax | 37,827.93 | |
| Grand Canyon Airport | 403,198.52 | |
| Miscellaneous | 11,652.24 | |
| Federal Grants | 24,178.15 | |
| Investment Interest | 363,289.82 | |
| Administration | | 293,564.88 |
| Administrative Adjustments | | 82.15 |
| Refunds | | 364.00 |
| Legislative Relief | | -0- |
| Grand Canyon Airport | | 319,863.29 |
| Airport Construction | | <u>1,668,760.57</u> |
| Totals | <u>2,777,633.43</u> | <u>2,282,634.89</u> |
| Beginning Balance 7/1/79 | 3,110,072.42 | |
| Receipts | <u>2,777,633.43</u> | |
| Disbursements | | 2,282,634.89 |
| Ending Balance 6/30/80 | | <u>3,605,070.96</u> |

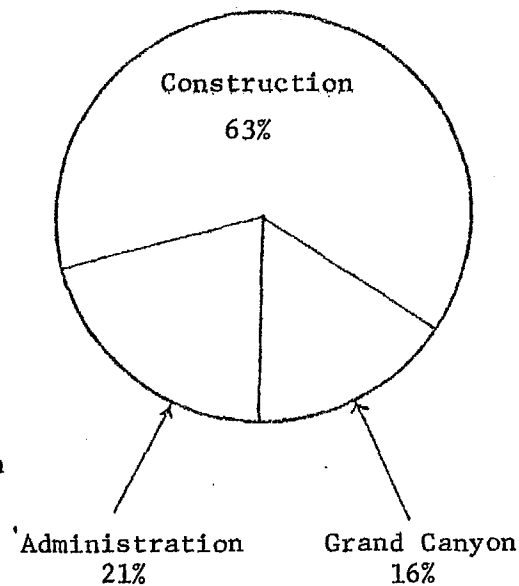
ADOT - Aeronautics Division

State Aviation Fund Dollar Allocation

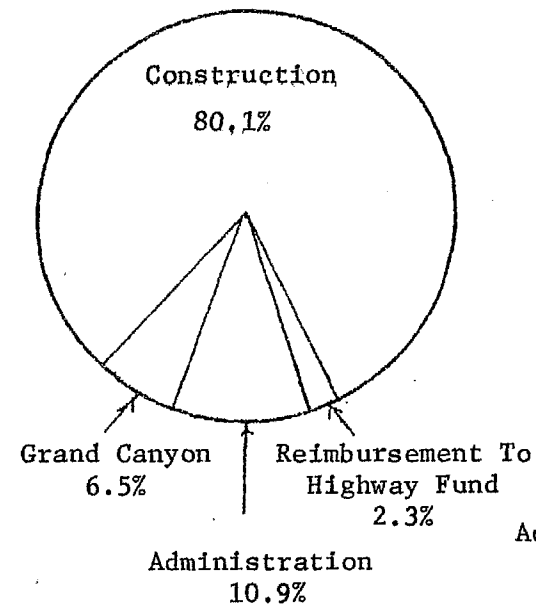
75-77



78-80

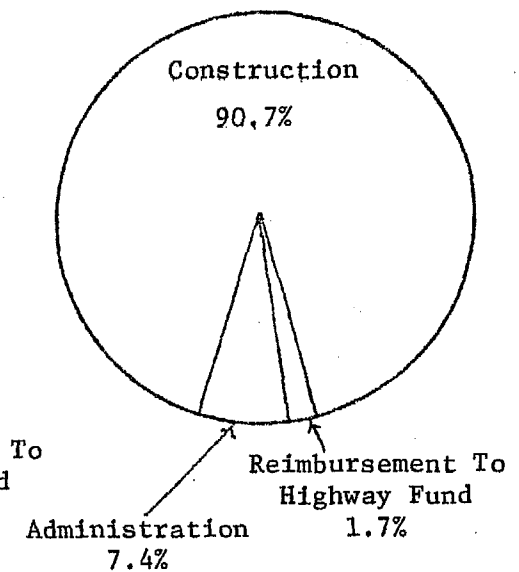


80-81



Projected

81-82



HISTORICAL
AVIATION FUEL TAX DATA

| <u>Fiscal Years</u> | <u>Gallons of Fuel</u> | <u>1¢/Gal. Aviation Fuel Tax</u> | <u>Unclaimed & Unrefunded Aviation Fuel Tax</u> | <u>Total Revenue From Gas Taxes</u> |
|-------------------------|----------------------------|--------------------------------------|---|---|
| 66-67 | 5,766,744 | \$ | \$106,791 | \$106,791 |
| 67-68 | 5,828,129 | | 107,935 | 107,935 |
| 68-69 | 5,798,436 | | 102,283 | 102,283 |
| 69-70 | 5,331,384 | 34,528 | 105,996 | 140,524 |
| 70-71 | 5,818,298 | 59,367 | 110,462 | 169,829 |
| 71-72 | 6,144,510 | 60,307 | 107,932 | 168,239 |
| 72-73 | 5,885,395 | 59,395 | 126,475 | 185,870 |
| 73-74 | 6,444,930 | 64,207 | 130,815 | 195,022 |
| 74-75 | 6,871,623 | 69,781 | 143,084 | 212,865 |
| 75-76 | 7,075,481 | 68,343 | 174,982 | 243,325 |
| 76-77 | 9,577,534 | 72,506 | 186,152 | 258,658 |
| 77-78 | 9,541,147 | 69,926 | 213,890 | 283,816 |
| 78-79 | 8,159,000 | 85,159 | 254,113 | 339,273 |
| 79-80 | 9,054,499 | 90,545 | 252,089 | 342,634 |

Sources: Aeronautics Division, Arizona Department of Transportation

GRAND CANYON NATIONAL PARK AIRPORT

This section is responsible for the maintenance, operation and improvements of the only state-owned airport. Located seven miles from the south rim, the airport was originally constructed with funds provided from the Department of the Interior, the Federal Aviation Administration and the State of Arizona.

Today, it is the third busiest air carrier airport in the state following Phoenix Sky Harbor and Tucson International. The airport is served by Republic Airlines, Cochise Airlines and over 40 air-taxi and commuter carriers. Annual aircraft operations increased 31% during the year to 96,290 and the number of passengers enplaned is estimated to be 481,450.

The airport is operated by an airport manager, a building maintenance supervisor and a supporting staff of seven employees. They are responsible for keeping the airport and all its facilities operational 24 hours a day throughout the year.

An administrative rulemaking procedure was promulgated to establish new rates and fees for airport users. Financially, in terms of operational expenses, the airport is firmly operating in the black for the first time. Revenue figures indicate the airport made \$97,000 during the fiscal year 1979-80. During this period, approximately \$2,500,000 in federal discretionary funds have been received for airport development at Grand Canyon. The funds have been utilized to extend the runway safety area, construct a sewer and propane gas system, expand the parking apron, resurface the runway and expand the terminal.

ENPLANEMENTS AND EMPLOYEES AT PHOENIX, TUCSON, AND GRAND CANYON AIRPORTS

| <u>PHOENIX-Sky Harbor</u> | <u>FY 1979</u> | <u>FY 1980</u> | <u>EMPLOYEES</u> | <u>Ratio of Passengers to # of Employees</u> |
|---------------------------------------|----------------|----------------|------------------|--|
| Passenger Enplanements | 3,323,026 | 3,411,324 | | |
| Total Operations | 394,731 | 400,945 | 319 | |
| FY- State, thru June 30, 1980. | | | | |
| Phoenix | | | | 10,700 to 1 |
| <u>TUCSON</u> | <u>FY 1979</u> | <u>FY 1980</u> | <u>EMPLOYEES</u> | <u>Ratio of Passengers to # of Employees</u> |
| Passenger Enplanements | 969,825 | 901,215 | | |
| Total Operations | 311,511 | 316,343 | 125 | |
| FY- Federal, thru September 30, 1980. | | | | |
| Tucson | | | | 7,200 to 1 |
| <u>GRAND CANYON AIRPORT</u> | <u>FY 1979</u> | <u>FY 1980</u> | <u>EMPLOYEES</u> | <u>Ratio of Passengers to # of Employees</u> |
| Passenger Enplanements | 332,100 | 481,450 | | |
| Total Operations | 66,420 | 96,290 | 9 | |
| FY- State, thru June 30, 1980. | | | | |
| Grand Canyon | | | | 53,500 to 1 |

Table Number - Grand Canyon Airport

The estimated number of passengers enplaned at the airport is shown in this table. The number has been estimated from the number of operations on an annual basis. The average type aircraft operating at the airport is a 10 passenger aircraft of the Cessna 414 category. An enplanement is defined as a passenger boarding or getting on an aircraft at an airport. Since 1976-77, the enplanements have gone from 230,045 passengers to a projected 636,530 in 1981-82, or 196.7%.

ADOT AERONAUTICS DIVISION
GRAND CANYON AIRPORT OPERATIONS W200

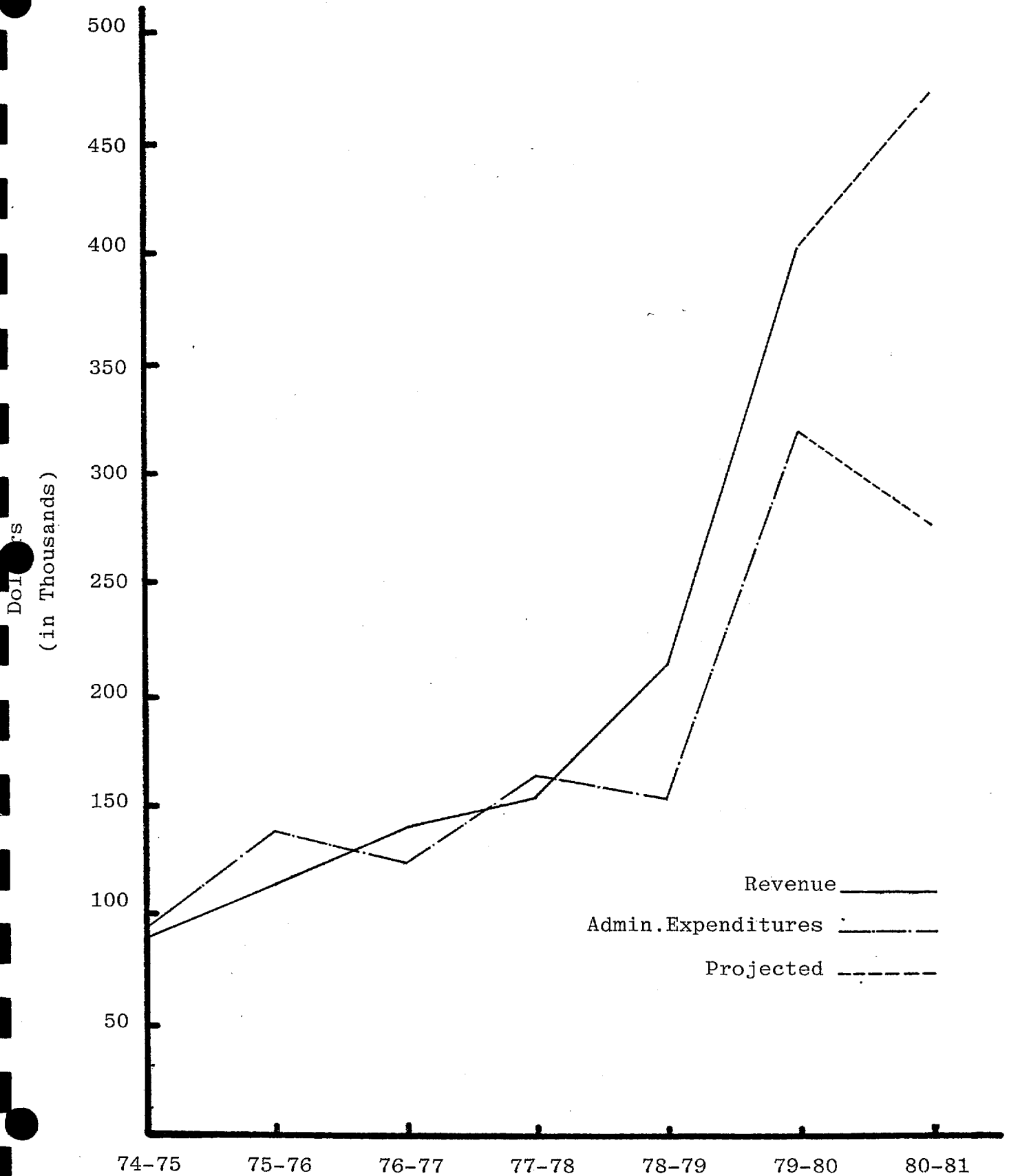


FIGURE #6

HISTORICAL
GRAND CANYON AIRPORT

REVENUE AND EXPENDITURES
AIRCRAFT OPERATIONS AND PASSENGERS ENPLANED
1975 - 1980

| | <u>1975--1976</u> | <u>1976--1977</u> | <u>1977--1978</u> | <u>1978--1979</u> | <u>1979--1980</u> |
|--|--------------------|-------------------|--------------------|-------------------|-------------------|
| Revenue | \$ 113,000 | \$ 139,000 | \$ 152,000 | \$ 213,300 | \$ 403,000 |
| Percent of Increase | 25.0% | 23.0% | 9.3% | 40.3% | 89.0% |
| Expenditures: | | | | | |
| FTE | 5 | 5 | 6 | 6 | 6 |
| Personal Services | 48,000 | 58,407 | 66,111 | 73,570 | 95,840 |
| ERE | 9,600 | 12,561 | 16,105 | 19,040 | 21,860 |
| Prof. & Outside | 13,800 | 13,800 | 13,800 | 14,800 | 15,640 |
| Travel--In-State | 800 | 900 | 900 | 900 | 500 |
| Travel--Out-State | 375 | 375 | 375 | 200 | 1,635 |
| OOE | 30,900 | 38,050 | 41,620 | 50,250 | 55,195 |
| Capital | 33,000 | 0 | 30,850 | 1,700 | 135,350 |
| Total Expenditures | \$ 136,575 | \$ 124,093 | \$ 169,761 | \$ 160,460 | \$ 326,020 |
| Percent of Increase (Decrease) | 40.7% | (9.1%) | 36.8% | (5.4%) | 10.3% |
| Net Income (Loss) | <u>(\$ 23,575)</u> | <u>\$ 14,907</u> | <u>(\$ 17,761)</u> | <u>\$ 52,840</u> | <u>\$ 96,980</u> |
| Grand Canyon Airport Annual Aircraft Operations | No Records | 46,010 | 49,803 | 66,420 | 96,290 |
| Percent of Increase | | | 8.2% | 33.3% | 31.0% |
| Estimated Annual Passengers Enplaned | Unknown | 230,045 | 249,015 | 332,100 | 401,450 |
| Percent of Increase | | | 8.2% | 33.3% | 31.0% |

Figure #7

AVIATION FIELD REPRESENTATIVE

This section is responsible for certification of commercial flight operators, aircraft dealers and the registration of flying clubs. The position also includes attendance at aviation functions, safety seminars, membership on the accident prevention council, the promotion of aerospace education and coordination with the Civil Air Patrol.

The Aviation Field Representative edits and arranges for publication of the monthly Aviation newsletter as well as arranges for the printing of the aeronautical chart, Arizona Airport Directory and other aviation related information.

Additional activities include: research and writing for special proposals, responses and reports as needed in areas of expertise. The State and Regional Defense Airlift program is maintained and updated on a regular basis by this section.

Efforts during 1979-80 were concentrated on legislation, helicopters and heliports, flying activities and division publications. Legislation to eliminate the regulation of commercial flight operators and flying clubs was signed into law in 1981. A greater emphasis can now be placed on education and safety as well as special projects.

Aeronautical chart publication was reinstituted in 1979 and has been greatly appreciated and respected as a flying tool by the aviation community. Additionally, an Airport Directory has recently been introduced which focuses on aerial photos of public use airports in the state and service information pertaining to each.

| | 77-78 | 78-79 | 79-80 |
|-----------------------------------|-------|-------|-------|
| Total Commercial Flight Operators | 117 | 107 | 101 |
| Total Aircraft Dealers | 61 | 59 | 53 |
| Total Flying Clubs | 26 | 24 | 22 |

PUBLICATIONS

Aviation

"Aviation" is the official publication of the Arizona Department of Transportation, Aeronautics Division and is distributed monthly to Arizona aircraft owners, aviation organizations, in-state news media, federal and state agencies, aviation publications and airline representatives.

The purpose of the publication is to disseminate information on safety, airport development projects, news and activities from the local aviation organizations as well as national news affecting aviation.

Arizona Aeronautical Chart

The Arizona Aeronautical Chart is published annually and distributed through commercial flight operators and airport sponsors. The chart is for aerial navigation and flight planning by providing complete coverage of Arizona, Phoenix and other information relevant to flying around the state.

Annual Report

The annual report is a composite of the activities of the Aeronautics Division over the preceding fiscal year.

Accident-Incident Review

In cooperation with Accident Prevention Program, the Aeronautics Division publishes a quarterly review on all aircraft accidents and incidents occurring within the previous three months. The four page bulletin is distributed to all Arizona pilots.

Arizona Airport Directory

The Arizona Airport Directory includes all public use airports within the state. Airport layouts are shown by aerial photographs with annotated runway headings, lengths and obstructions, services, hazards and other information relevant to the safe operation around and on the airport is listed to the right of each picture.

CIVIL AIR PATROL

The Aeronautics Division is responsible for the administration of an annual general fund appropriation of \$55,000 to the CAP to aid in search and rescue missions carried out in conjunction with the Emergency Services Division.

During the past three years, the Civil Air Patrol conducted the following activities:

| | <u>1980</u> | <u>1979</u> | <u>1978</u> |
|--------------------|-------------|-------------|-------------|
| Missions | 12 | 30 | 38 |
| Sorties | 43 | 443 | 425 |
| Finds | 6 | 13 | 12 |
| Hours Flown | 62 | 1,098 | 998 |
| Number of Aircraft | 15 | 15 | 11 |

AIR SERVICE

The Air Service section is responsible for the orderly development of the air transportation system serving the state. This section assists both communities and airlines in air service matters which are of a regional or statewide significance. It coordinates the development and makes policy recommendation concerning the state's position in relation to air service legislation, administrative rulemaking and legal proceeding before the Civil Aeronautics Board (CAB), the Department of Transportation (DOT), or Congress. The Air Service section works with other state agencies to ensure common directions are taken in the promotion and improvement of air service.

Civil Aeronautics Board Activities:

During the past three years, there have been dramatic changes brought about as a result of the Airline Deregulation Act. Prior to its enactment, ADOT was active in the Federal Certification proceedings of Cochise and Skywest Airlines, a legal process which took more than three years.

Since that time, the section has primarily been concerned with the Essential Air Service (EAS) guarantees to small communities provision of the Airline Deregulation Act. Seven communities were assisted in acquiring Essential Air Service determinations from the CAB. Individual proposals were prepared and submitted for Prescott, Kingman, Winslow, Page, Grand Canyon, Yuma, and Flagstaff. All were guaranteed various levels of air service through 1988. The Arizona Department of Transportation (ADOT), representing the state and the communities of Prescott and Kingman appealed the level of air service guaranteed to them, believing the level established was arbitrarily low. The Air Service section has assisted the two communities in preparing and submitting necessary documentation for the appeal.

The City of Douglas was also aided in an effort to re-establish it as an eligible air service point. Surveys, analyses and statistical data were submitted to the CAB.

In other CAB related cases, the state successfully supported a major airline during the CAB wild card route case, which gave Arizona travelers one-stop direct service from Phoenix to London, England via Denver.

The air service staff recommended supporting the Continental/Western merger after a regional impact analysis concluded that Tucson citizens would see online service to new destinations and increased competition to existing points.

Air Service Projects

To ensure a common direction is taken by state agencies, the Air Service Section has coordinated various programs to promote and improve service in the state. The Four Corners Regional Commission provided financial assistance to develop a proposal for a pilot program submitted to the White House Rural Initiative Task Force on air service. This program was designed to develop a viable and economically feasible linear route between Phoenix and Las Vegas for the communities of Prescott and Kingman. Unfortunately, after being notified by the White House that funding for the proposal was approved, they changed the decision, citing problems with funding authority.